

## Message Text

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ORIGIN OPIC-12

INFO OCT-01 AF-10 ISO-00 EB-11 OMB-01 TRSE-00 COME-00

AID-20 L-03 XMB-07 /065 R

66652

DRAFTED BY: OPIC/EVP:DAVID GREGG

APPROVED BY: EB/IFD/OIA:RICHARD SMITH

AF/E:WBCOOTE

AF/W:JLLOUGHRAN

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R 131849Z SEP 74

FM SECSTATE WASHDC

TO AMEMBASSY ABIDJAN

AMEMBASSY NAIROBI

C O N F I D E N T I A L STATE 201774

FOR THE AMBASSADOR

E.O. 11652: GDS

TAGS: EFIN

SUBJ: TAW STATUS AS SEEN FROM OPIC

REF: ABIDJAN 7166

1. THE ARBITRATION WITH THE GRZ OVER CONTRACT CANCELLATION WAS FILED ON AUGUST 30, 1974 IN LONDON, HOWEVER, GRZ HAS TO RESPOND AND SELECT ITS ARBITRATOR THEN INTERNATIONAL CHAMBER OF COMMERCE WILL SELECT A THIRD ARBITRATOR. IT COULD EASILY BE THE END OF THE YEAR BEFORE ARBITRATION COMMENCES. HOPE CGRZ WILL NEGOTIATE A SETTLEMENT BEFORE ARBITRATION.

2. TAW'S CREDITORS' MEETING WENT AT BEST REASONABLY WELL. TAW PRESIDENT, THOMAS A. WOOD, DID NOT AGREE TO HIS RESIGNATION NOR AN ESCROW OF US TAW FUNDS IN THE AMOUNT OF DOLS 500,000 TO BE CONTROLLED BY CREDITORS. THESE WERE TWO CONDITIONS PRECEDENT TO A STAND-BY AGREEMENT ON DEFAULTED OBLIGATIONS. THEREFORE, CONFIDENTIAL

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NOW THE COMPANY AND THE CREDITORS ARE OPERATING WITH MO

AGREEMENT. THE PRINCIPAL LENDERS HAVE A PLEDGE OF 88 PER. OF TAW LIBERIA IN SECURITY FOR THE LATEST LOAN. THE PRUDENTIAL LIFE, GUARANTEED BY OPIC, OWN 22 PER. OF TAW LIBERIA. PRUDENTIAL HAS REQUESTED OPIC TAKE OUT UNDER GUARANTEE AGREEMENT. WHEN OCCURS, OPIC WOULD OWN THE REMAINING 22 PER. OF TAW LIBERIA.

3. THE FINANCIAL SITUATION IS POOR AT BEST 50 PER. ON THE DOLLAR FOR DEBT HOLDERS. THE OPERATION IS NOT VIABLE UNDER PRESENT MANAGEMENT. THE OPERATION HAS SOME CLEAR MERIT AND VALUE AS AN ESTABLISHED BUSINESS; HOWEVER IT NEEDS NEW SPONSORSHIP AND MANAGEMENT. WE ARE CONSIDERING VARIOUS AVENUES TO RESOLVING THIS.

4. FRANK SAVAGE SEEMS TO BE TAKING SOME GOOD STEPS AND HE HAS OUR SUPPORT IN THEM. STILL NEEDS TO CUT MORE WEST AFRICAN OVER-HEAD AND CLOSE NEW YORK OFFICE.

5. SORRY FOR CLOSE-TO-VEST BUT THE SITUATION IS IN FLUX AND ANY LEAK OF CONDITION COULD BE HARMFUL TO TAW AND U.S. G. INTERESTS AND THE ARBITRATION AND PROCEEDS FROM IT.

6. I HAVE SPOKEN WITH AMBASSADOR WILKOWSKI ON HER VISIT HERE LAST WEEK.

7. BEFORE WE TAKE ANY STRONG ACTION WOULD CERTAINLY LET YOU KNOW IN ADVANCE AS WELL AS OTHER PRINCIPAL POST. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** REPATRIATION, LITIGATION, ARBITRATION, DEBT REPAYMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 SEP 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** kelleyw0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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